GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3102
ANSWERED ON:11.08.2000
SPECIAL ECONOMIC ZONES & EXPORT PROCESSING ZONES
GULAM MEHMOOD BANATWALLA;JAI BHADRA SINGH;MADHAVRAO SCINDIA;RENUKA CHOWDHURY;SADASHIVRAO DADOBA MANDLIK;SATYAVRAT CHATURVEDI;SUNDER LAL TIWARI;SURESH KODIKUNNIL;SUSHIL KUMAR SAMBHAJIRAO SHINDE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) Whether the government have initiated fresh policy to make big success of Special Economic Zones (SEZs) and Export Processing Zones (EPZs) during 2000 and 2001;

(b) if so, the details thereof;

(c) the details of SEZs and EPZs functioning at present in the country, State-wise and location-wise, alongwith the details of export potential and their performance;

(d) whether the Government have decided to allow 100% foreign direct investment and manufacture of items reserved for small scale in special economic zones;

(e) if so, the reasons therefore and the details of special concessions proposed to be provided to these investors;

(f) whether the Government have reviewed its effect on domestic small scale industry sector;
g) whether any representations from small scale industry sector have been received against this decision;
(h) if so, the details thereof; and
(i) the Government`s reaction thereto?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) & (b) In the Export and Import Policy (1997-2002), incorporating amendments made up to 31st March, 2000, the Government has announced a Policy for setting up of Special Economic Zones (SEZs) in the country.The units in the SEZs will be a net foreign exchange earner but they shall not be subjected to any pre-determined value addition or minimum export performance. The entitlements to units in SEZs include exemption from Customs/Excise duty on capital goods, raw materials etc. reimbursement of Central Sales Tax paid on purchases from outside the State and an upgraded infrastructure.

(c) The details of seven EPZs in the country set up by the Government are given below:

Exports (Rs. in crores)

Name of the EPZ and location	1998-99	1999-2000
Kandla Free Trade Zone, Kandla (Gujarat)	391.81	543.66
Santacruz Electronics Export Processing Zone,Mumbai (Mahar.)	3281.84	4112.62
Noida Export Processing Zone, Noida (U.P.)	752.07	845.63
Madras Export Processing Zone, Chennai (Tamil Nadu)	535.94	545.42
Cochin Export Processing Zone, Cochin (Kerala)	200.05	241.00
Falta Export Processing Zone, Falta (West Bengal)	72.77	266.60
Visakhapatnam Export Processing Zone, Vishakhapatnam (A.P.)	18.00	119.04
Total	5252.48	6673.97

SEZs are yet to become operational.

(d) to (f): Foreign equity up to 100% is permissible in the case of SEZ units.SEZ is an export promotion scheme and no distinction is made between SSI and non-SSI sector in respect of units in SEZ. Any sales in the Domestic Tariff Area by the SEZ units shall be subject to the import policy in force and on payment of full customs duty. SEZs will not, therefore,have any adverse effect on the domestic small scale industry.

(g) No, Sir.

(h) and
(i) Do not arise.